

## Message Text

UNCLASSIFIED

PAGE 01 KUALA 03939 090823Z

12

ACTION EB-07

INFO OCT-01 EA-09 ISO-00 COME-00 TRSE-00 CIAE-00 INR-07

NSAE-00 /024 W

----- 069998

R 090219Z JUL 76

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 3936

USDA/FAS WASHDC

UNCLAS KUALA LUMPUR 3939

AGRICULTURE FOR KEATON, O&P/FCA FROM AGATTACHE

E.O. 11652: N/A

TAGE: EAGR

SUBJECT: EXPORT TAX ON PROCESSED PALM OIL

1. AS OF JULY 1, 1976 AN EXPORT TAX IS APPLIED TO PROCESSED PALM OIL, WHILE THE TAX SCHEDULE HAS NOT YET BEEN GAZETTED SOME ASPECTS OF IT ARE KNOWN.

2. THE TAX TO BE APPLIED WILL TXE CALCULATED AS A PERCENT EXEMPTION FROM FULLRATE APPLIED TO CRUDE PALM OIL, DEPENDING UPON DEGREE OF PROCESSING AS FOLLOWS:

3. CATEGORY A: SEMI REFINED PALM OIL

1. NEUTRALIZED, 50PERCENT EXEMPTION
2. BLEACHED, 50PERCENT EXEMPTION
3. DEODORIZED, 50PERCENT EXEMPTION
4. NEUTRALIZED AND BLEACHED, 65PERCENT EXEMPTION
5. NEUTRALIZED AND DEODORIZED, 65PERCENT EXEMPTION
6. BLEACHED AND DEODORIZED, 65PERCENT EXEMPTION
7. NEUTRALIZED, BLEACHED AND DEODORIZED, 80PERCENT EXEMPTION

CATEGORY B: CRUDE OR SEMI REFINED OR REFINED FRACTIONATED PALM OLEIN.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KUALA 03939 090823Z

1. CRUDE OLEIN, 50PERCENT EXEMPTION
2. NEUTRALIZED OLEIN, 65PERCENT EXEMPTION
3. BLEACHED OLEIN, 65PERCENT EXEMPTION
4. DEODORIZED OLEIN, 65PERCENT EXEMPTION
5. NEUTRALIZED AND BLEACHED OLEIN, 80PERCENT EXEMPTION
6. NEUTRALIZED AND DEODORIZED OLEIN, 80PERCENT EXEMPTION
7. BLEACHED AND DEODORIZED OLEIN, 80PERCENT EXEMPTION
8. NEUTRALIZED, BLEACHED, DEODORIZED OLEIN, 100PERCENT EXEMPTION

4. THE SURCHARGE APPLIED TO CRUDE IS APPLIED IN FULL TO BOTH CATEGORIES, AND ALL ITEMS UNDER EACH CATEGORY. THUS, WHILE NEUTRALIZED, BLEACHED AND DEODORIZED PALM OLEIN ENJOYS A 100PERCENT EXEMPTION FROM THE EXPORT TAX APPLIED TO CRUDE PALM OIL THE CURRENTLY APPLIED SURCHARGE IS PAID.

5. PALM YEARIN AND PELM KERNEL OIL ARE NOT AFFECTED.

6. AN EXAMPLE OF THE TAX CALCULATION IS AS FOLLOWS FOR THE MONTH OF JULY, 1976 PER LONG TON.  
JULY GAZETTED PRICE FOR CRUDE PALM OIL M\$843.8456  
EXPORT DUTY M\$132.85  
SURCHARGE M\$ 16.88

A. EXPORT DUTY APPLIED DURING JULY TO NEUTRALIZED AND BLEACHED PALM OIL (CATEGORY A, ITEM 4)- (M\$132.85X65PERCENT EXEMPTIO)  
PLUS M\$16.88-M\$103.23 TOTAL TAX.

B. NEUTRALIZED, BLEACHED AND DEODORIZED PALM OLEIN (CATEGORY B, ITEM 8)-(M\$132.85X100PERCENT EXEMPTION)PLUS M\$16.88-M\$16.88  
TOTAL TAX.

7. THE EFFECT OF THE TAX IS SEEN TO BE LESS BURDENSOME TO THOSE WHO HAVE INVESTED MOST HEAVILY IN FURTHER PROCESSING EQUIPMENT AND INSTALLATIONS. THESE ARE THE FIRMS WHICH IN MOST CASES ARE NOW PRODUCING THE BETTER QUALITY ITEMS. WITHIN THE INDUSTRY IT IS WIDELY FELT THAT MANY OF THE NEWCOMERS HAVE INVESTED A MINIMUM AMOUNT OF CAPITAL, PRODUCE POOR QUALITY, ADD LITTLE TO VALUE OF THE PRODUCT, GIVE MALAYSIAN PRODUCT A TARNISHED QUALITY IMAGE IN WORLD MARKETS, AND AT THE SAME TIME ENJOY THE FULL  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 KUALA 03939 090823Z

EXEMPTION FROM EXPORT DUTY.

8. AN IMMEDIATE CONCERN IS THOSE PROCESSORS WHO HAVE MADE FORWARD COMMITMENTS. SOME HAVE MADE REPRESENTATIONS TO THE GOVERNMENT FOR RELIEF AND MAY GET IT. IN GENERAL CRUDE OIL PROCESSORS DON'T TAKE POSITIONS. THEY BUY CRUDE OIL AT THE SAME TIME THEY MAKE A COMMITMENT TO SELL REFINED OIL.  
EXCHANGE RATE: \$1.00-M\$2.53.

UNDERHILL

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORT CONTROLS, TAXES, OIL PLANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976KUALA03939  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760264-1015  
**From:** KUALA LUMPUR  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760775/aaaacnrm.tel  
**Line Count:** 116  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** schwenja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 FEB 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 FEB 2004 by ThomasVJ>; APPROVED <12 AUG 2004 by schwenja>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT TAX ON PROCESSED PALM OIL  
**TAGS:** EAGR, ETRD, EPAP, MY  
**To:** STATE USDA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006